

EXHIBIT 12

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2015
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission File No. 001-7784



Louisiana
(State or other jurisdiction of
incorporation or organization)

72-0651161
(I.R.S. Employer
Identification No.)

**100 CenturyLink Drive,
Monroe, Louisiana**
(Address of principal executive offices)

71203
(Zip Code)

(318) 388-9000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐
(Do not check if a smaller reporting
company)

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

On April 30, 2015, there were 563,749,179 shares of common stock outstanding.

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* All references to "Notes" in this quarterly report refer to these Notes to Consolidated Financial Statements.<
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PART I-FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CENTURYLINK, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended March 31,	
	2015	2014
	(Dollars in millions except per share amounts and shares in thousands)	
OPERATING REVENUES	\$ 4,451	4,538
OPERATING EXPENSES		
Cost of services and products (exclusive of depreciation and amortization)	1,911	1,935
Selling, general and administrative	851	843
Depreciation and amortization	1,040	1,107
Total operating expenses	3,802	3,885
OPERATING INCOME	649	653
OTHER (EXPENSE) INCOME		
Interest expense	(328)	(331)
Other income, net	2	9
Total other expense, net	(326)	(322)
INCOME BEFORE INCOME TAX EXPENSE	323	331
Income tax expense	131	128
NET INCOME	\$ 192	203
BASIC AND DILUTED EARNINGS PER COMMON SHARE		
BASIC	\$ 0.34	0.35
DILUTED	\$ 0.34	0.35
DIVIDENDS DECLARED PER COMMON SHARE	\$ 0.54	0.54
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		
BASIC	561,969	574,535
DILUTED	563,505	575,456

See accompanying notes to consolidated financial statements.

Consumer

The operations of our consumer segment have been impacted by several significant trends, including those described below:

- *Strategic services.* In order to remain competitive and attract additional residential broadband subscribers, we believe it is important to continually increase our broadband network's scope and connection speeds. As a result, we continue to invest in our broadband network, which allows for the delivery of higher-speed broadband services to a greater number of customers. We compete in a maturing broadband market in which most consumers already have broadband services and growth rates in new subscribers have slowed. Moreover, as described further in Item 1A of Part II of this report, demand for our broadband services could be adversely affected by competitors continuing to provide services at higher average broadband speed than ours or expanding their advanced wireless data service offerings. We also continue to expand our other strategic product offerings, including facilities-based video services. The expansion of our facilities-based video service infrastructure requires us to incur substantial content and start-up expenses in advance of marketing and selling the service. Although, over time, we expect that our revenue for facilities-based video services will offset the expenses incurred, the timing of this revenue growth is uncertain and the video business is growing increasingly competitive. We believe these efforts to expand our offerings will ultimately improve our ability to compete and increase our strategic revenues;
- *Legacy services.* Our voice revenues have been, and we expect they will continue to be, adversely affected by access line losses. Intense competition and product substitution continue to drive our access line losses. For example, many consumers are substituting cable and wireless voice services and electronic mail, texting and social networking non-voice services for traditional voice telecommunications services. We expect that these factors will continue to negatively impact our business. As a result of the expected loss of higher margin services associated with access lines, we continue to offer our customers service bundling and other product promotions to help mitigate this trend, as described below;
- *Service bundling and product promotions.* We offer our customers the ability to bundle multiple products and services. These customers can bundle local services with other services such as broadband, video, long-distance and wireless. While we believe our bundled service offerings can help retain customers, they also tend to lower our profit margins in the consumer segment; and
- *Operating efficiencies.* We continue to evaluate our segment operating structure and focus. This involves balancing our workforce in response to our workload requirements, productivity improvements and changes in industry, competitive, technological and regulatory conditions. We also expect our consumer segment to benefit indirectly from enhanced efficiencies in our company-wide network operations.

The following table summarizes the results of operations from our consumer segment:

	Consumer Segment			
	Three Months Ended March 31,		Increase / (Decrease)	% Change
	2015	2014		
	(Dollars in millions)			
Segment revenues:				
Strategic services	\$ 738	702	36	5%
Legacy services	758	806	(48)	(6)%
Data integration	1	1	-	-%
Total revenues	1,497	1,509	(12)	(1)%
Segment expenses:				
Total expenses	589	593	(4)	(1)%
Segment income	\$ 908	916	(8)	(1)%
Segment income margin percentage	61%	61%		

Segment Revenues

Consumer revenues decreased by \$12 million, or 1%, for the three months ended March 31, 2015 as compared to the three months ended March 31, 2014. The decline in legacy services revenues was primarily due to declines in local and long-distance service volumes associated with access line losses resulting from the reasons noted above. The increase in strategic services revenues was due primarily to increases in the number of our Prism TV customers and increases in the number of broadband subscribers, as well as from price increases on various services.

Segment Expenses

Consumer expenses decreased by \$4 million, or 1%, for the three months ended March 31, 2015 as compared to the three months ended March 31, 2014 primarily due to decreases in employee-related expenses, which were substantially offset by increases in programming expenses for Prism TV content resulting from subscriber growth in our Prism TV markets and content rate increases and bad debt expense.

Segment Income

Consumer income decreased by \$8 million, or 1%, for the three months ended March 31, 2015 as compared to the three months ended March 31, 2014. The decline in consumer segment income was primarily due to customers migrating from legacy services to lower margin strategic services, which caused our segment revenues to decrease and our segment expenses to increase.

Liquidity and Capital Resources*Overview*

At March 31, 2015, we held cash and cash equivalents of \$155 million and we had approximately \$1.7 billion of borrowing capacity available under our \$2.0 billion revolving credit facility (as amended and referred to as our "Credit Facility", which is described further below). At March 31, 2015, cash and cash equivalents of \$53 million were held in foreign bank accounts for the purpose of funding our foreign operations. Due to various factors, our access to foreign cash is generally much more restricted than our access to domestic cash.

In connection with our budgeting process in early 2015, our executive officers and our Board of Directors reviewed our sources and potential uses of cash over the next several years, including among other things the previously-disclosed effect of the anticipated depletion of our federal net operating loss carryforwards during 2015.

Based on our current capital allocation objectives, during the remaining nine months of 2015 we anticipate expending approximately \$2.4 billion of cash for capital investment in property, plant and equipment and up to \$916 million for dividends on our common stock, based on the current quarterly common stock dividend rate of \$0.54 and the current number of outstanding common shares. We have debt maturities of approximately \$92 million, scheduled debt principal payments of approximately \$17 million and scheduled capital lease and other obligation payments of approximately \$56 million due during the remainder of 2015. We also anticipate expending cash for repurchasing common stock, but the amount will largely depend on market conditions.

We will continue to monitor our future sources and uses of cash, and anticipate that we will make adjustments to our capital allocation strategies when, as and if determined by our Board of Directors. We use our revolving credit facility as a source of liquidity for operating activities and to give us additional flexibility to finance, among other things, our capital investments, repayments of debt, pension contributions, dividends or stock repurchases.

Capital Expenditures

We incur capital expenditures on an ongoing basis in order to enhance and modernize our networks, compete effectively in our markets and expand our service offerings. We evaluate capital expenditure projects based on a variety of factors, including expected strategic impacts (such as forecasted impact on revenue growth, productivity, expenses, service levels and customer retention) and our expected return on investment. The amount of capital investment is influenced by, among other things, demand for our services and products, cash flow generated by operating activities, cash required for other purposes and regulatory considerations. Based on our current objectives, we estimate our total capital expenditures will be approximately \$2.4 billion for the remaining nine months of 2015.

Our capital expenditures continue to be focused largely on our strategic services. For more information on capital spending, see Items 1 and 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2014.

CENTURYTEL INVESTMENTS OF TEXAS,

By: /s/ JOHN L. NAVARRETTE

Name: John Navarrette

Title: President

[Signature Page to Amendment to Guarantee Agreement and Reaffirmation Agreement]

CENTURYTEL SERVICE GROUP, LLC, as a Guarantor

By: /s/ R. STEWART EWING, JR.

Name: R. Stewart Ewing, Jr.

Title: Executive Vice President and Chief Financial Officer

[Signature Page to Amendment to Guarantee Agreement and Reaffirmation Agreement]

EMBARQ CORPORATION, as a Guarantor

By: /s/ R. STEWART EWING, JR.

Name: R. Stewart Ewing, Jr.

Title: Executive Vice President and Chief Financial Officer

[Signature Page to Amendment to Guarantee Agreement and Reaffirmation Agreement]

EMBARQ MANAGEMENT COMPANY, as a
Guarantor

By: /s/ R. STEWART EWING, JR.

Name: R. Stewart Ewing, Jr.

Title: Executive Vice President and Chief Financial Officer

[Signature Page to Amendment to Guarantee Agreement and Reaffirmation Agreement]

QWEST COMMUNICATIONS INTERNATIONAL INC., as a
Guarantor

By: /s/ R. STEWART EWING, JR.

Name: R. Stewart Ewing, Jr.

Title: Executive Vice President and Chief Financial Officer

[Signature Page to Amendment to Guarantee Agreement and Reaffirmation Agreement]

QWEST SERVICES CORPORATION, as a Guarantor

By: /s/ R. STEWART EWING, JR.

Name: R. Stewart Ewing, Jr.

Title: Executive Vice President and Chief Financial Officer

[Signature Page to Amendment to Guarantee Agreement and Reaffirmation Agreement]

SAVVIS COMMUNICATIONS CORPORATION, as a Guarantor

By: /s/ R. STEWART EWING, JR.

Name: R. Stewart Ewing, Jr.

Title: Executive Vice President and Chief Financial Officer

[Signature Page to Amendment to Guarantee Agreement and Reaffirmation Agreement]

SAVVIS, INC., as a Guarantor

By: /s/ R. STEWART EWING, JR.

Name: R. Stewart Ewing, Jr.

Title: Executive Vice President and Chief Financial Officer

[Signature Page to Amendment to Guarantee Agreement and Reaffirmation Agreement]

UNITED TELEPHONE COMPANY OF OHIO, as a Guarantor

By: /s/ R. STEWART EWING, JR.

Name: R. Stewart Ewing, Jr.

Title: Executive Vice President and Chief Financial Officer

[Signature Page to Amendment to Guarantee Agreement and Reaffirmation Agreement]

Agreed to and accepted as of the date first
above written:

CENTURYLINK, INC.

By: /s/ R. STEWART EWING, JR.

Name: R. Stewart Ewing, Jr.

Title: Executive Vice President and Chief Financial Officer

[Signature Page to Amendment to Guarantee Agreement and Reaffirmation Agreement]

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Glen F. Post, III, Chief Executive Officer and President, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CenturyLink, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors:
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2015

/s/ GLEN F. POST, III

Glen F. Post, III
Chief Executive Officer and President

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, R. Stewart Ewing, Jr., Executive Vice President, Chief Financial Officer and Assistant Secretary, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CenturyLink, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors:
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2015

/s/ R. STEWART EWING, JR.

R. Stewart Ewing, Jr.
Executive Vice President, Chief
Financial Officer and Assistant
Secretary

Exhibit 32

Chief Executive Officer and Chief Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Each of the undersigned, acting in his capacity as the Chief Executive Officer or Chief Financial Officer of CenturyLink, Inc. ("CenturyLink"), certifies that, to his knowledge, the Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 of CenturyLink fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of CenturyLink as of the dates and for the periods covered by such report.

A signed original of this statement has been provided to CenturyLink and will be retained by CenturyLink and furnished to the Securities and Exchange Commission or its staff upon request.

Date: May 6, 2015

/s/ GLEN F. POST, III

Glen F. Post, III
Chief Executive Officer and
President

/s/ R. STEWART EWING, JR.

R. Stewart Ewing, Jr.
Executive Vice President, Chief
Financial Officer and Assistant
Secretary